The Church of Jesus Christ of Latter-Day Saints Trust Board

Consolidated Financial Statements
31 December 2009

The Church of Jesus Christ of Latter-Day Saints Trust Board

Table of Contents

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Comprehensive Income
For the year ended 31 December 2009
In thousands of New Zealand Dollars

	Note	Group 2009	Group 2008	Trust 2009	Trust 2008
Income					
Tithing, grants and donations					
Tithing		26,667	25,417	26,685	25,454
Grant income		36,898	34,902	36,516	34,512
Donations		3,970	3,769	3,970	3,769
		67,535	64,088	67,171	63,735
Sales income					
Sale of Literature and Supplies		1,134	1,046	1,134	1,046
Other sales income		162	1,097	120	1,053
Cost of sales		(1,195)	(2,136)	(1,195)	(2,136)
Gross profit		102	6	59	(38)
Other income					
Rental income		836	720	836	720
Gain on sale of assets		580	1,489	580	1,489
Other income		588	547	588	547
Interest income		209	279	209	279
Foreign exchange gains/ (losses)		78	(226)	78	(226)
		2,292	2,809	2,292	2,809
Expenditure					
Remuneration and other employee benefits	7	19,323	20,312	18,996	20,024
Defined benefit plan movements (excluding actuarial movements)	13	(3,144)	4,004	(3,144)	4,004
Travel expenses		3,115	3,402	3,071	3,341
Communication costs		1,712	1,361	1,686	1,343
General and administrative expenses		6,496	5,365	6,469	5,333
Facility lease and operating costs		9,107	7,860	9,107	7,860
Depreciation		7,834	5,698	7,834	5,698
Grants, donations and other social assistance		8,164	14,684	8,164	14,684
Local unit budget		2,201	2,047	2,201	2,047
	6	54,808	64,733	54,384	64,334
Surplus for the year		15,120	2,170	15,137	2,171
Other comprehensive income					
Defined benefit plan actuarial gains/ (losses)	13	5,889	(7,699)	5,889	(7,699)
Total comprehensive income for the year		21,009	(5,529)	21,026	(5,528)

Total comprehensive income for the year is attributable to the beneficiaries of the Trust.

The accompanying notes form part of these financial statements

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The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Changes in Equity
For the year ended 31 December 2009
In thousands of New Zealand Dollars

		Group			Trust		
	Note	Retained earnings	Reserves	Total Equity	Retained earnings	Reserves	Total Equity
Balance 1 January 2008		147,720	2,447	150,167	147,713	2,447	150,160
Total comprehensive income for the year							
Surplus for the year		2,170	-	2,170	2,171	-	2,171
Other comprehensive income		(7,699)		(7,699)	(7,699)	-	(7,699)
Total comprehensive income for the year		(5,529)	-	(5,529)	(5,528)	-	(5,528)
Transactions with non -owners recorded directly in equity							
Transfer between equity reserves	17	131	(131)	-	131	(131)	-
Transactions with owners recorded directly in equity		-	-	-	-	-	-
Balance 31 December 2008		142,322	2,316	144,638	142,316	2,316	144,632
Total comprehensive income for the year							
Surplus for the year		15,120	-	15,120	15,137		15,137
Other comprehensive income		5,889		5,889	5,889		5,889
Total comprehensive income for the year		21,009	-	21,009	21,026	-	21,026
Transactions with non -owners recorded directly in equity							
Transfers between equity reserves	17	(15,805)	15,805	-	(15,805)	15,805	-
Transactions with owners recorded directly in equity		-	-	-	-	-	-
Balance 31 December 2009		147,526	18,121	165,647	147,537	18,121	165,658

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Financial Position
As at 31 December 2009
In thousands of New Zealand Dollars

		Group		Trust	
	Note	2009	2008	2009	2008
Assets					
Current					
Cash and cash equivalents	8	7,051	6,034	7,043	6,028
Trade debtors and other receivables	9	1,441	1,999	1,439	1,999
Investments		105	732	105	732
Inventories	10	207	206	207	206
		8,804	8,971	8,794	8,965
Non current					
Property, plant and equipment	13	169,510	158,302	169,510	158,302
Total assets		178,315	167,273	178,305	167,267
Liabilities					
Current					
Trade creditors and other payables	11	2,656	3,388	2,640	3,388
Employee entitlements	12	3,738	3,941	3,733	3,941
		6,395	7,329	6,374	7,329
Non current					
Employee entitlements	12	6,273	15,306	6,273	15,306
Total liabilities		12,668	22,635	12,647	22,635
Equity					
Retained earnings		147,526	142,322	147,537	142,316
Reserves	17	18,121	2,316	18,121	2,316
Total equity		165,647	144,638	165,658	144,632
Total equity and liabilities		178,315	167,273	178,305	167,267

These financial statements are approved by the Board of Trustees on 16 July 2010.

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Cash Flows

For the year ended December 2009

In thousands of New Zealand Dollars

	Note	Group		Trust	
		2009	**2008**	**2009**	**2008**
Cash flows from operating activities					
Receipt from Church Head Office in USA		36,898	34,902	36,516	34,512
Tithing, grant and donations receipts		30,635	29,186	30,652	29,223
Receipts from sales income		1,296	2,143	1,254	2,098
Other receipts from members and customers		1,981	957	1,983	956
Interest received		211	279	211	279
Payments to suppliers and employees		(52,170)	(54,718)	(51,767)	(54,319)
Net cash flows from operating activities	14	18,851	12,749	18,849	12,749
Cash flows from investing activities					
Purchase of investment		-	(732)	-	(732)
Proceeds from disposal of investments		627	-	627	-
Proceeds from sale of property, plant and equipment		870	2,047	870	2,047
Purchase of property, plant and equipment		(19,332)	(12,911)	(19,332)	(12,911)
Net cash flows used in investing activities		(17,835)	(11,596)	(17,835)	(11,596)
Net increase in cash and cash equivalents		1,016	1,153	1,014	1,153
Cash and cash equivalents at beginning of year		6,034	4,882	6,028	4,876
Cash and cash equivalents at end of year		7,051	6,034	7,043	6,028

1 Reporting entity

These financial statements comprise the separate financial statements of The Church of Jesus Christ of Latter-Day Saints Trust Board (the "Trust"), and the consolidated financial statements of the Group, for the year ended 31 December 2009.

The Trust was created pursuant to a trust deed dated the 9th May 1921 and was incorporated by private act of the New Zealand Parliament entitled the "Church of Jesus Christ of Latter-day Saints Empowering" Act (1957/1).

The Trust is a charitable trust incorporated under the Charities Trusts Act 1957, and registered under the Charities Act 2005, and therefore is exempt from income tax.

The principle activity of the Trust is to advance the work of The Church of Jesus Christ of Latter-day Saints (the "Church") in New Zealand by providing it with all temporal support that is required in that effort. As the Church is a religious organisation, the Trust's purposes include the provision of temporal support to enable missionary work, establishing and maintaining bank accounts and buildings for congregations of the Church throughout New Zealand and the provision of curriculum and other goods and services to meet the needs of Sunday Schools and the Church's other auxiliary organisations. None of the Trust's work is carried on for pecuniary profit.

The registered address of the Trust is 11 Huron Street, Takapuna, Auckland.

The financial statements were authorised for issue by Members of the Trust Board on 16 July 2010.

2 Basis of consolidation

The Group financial statements consolidate the result, position and cash flows of the Trust (the "Parent) and its 100% owned subsidiary - LDS Family Services New Zealand (the "Subsidiary"), an incorporated Company.

The Group financial statements consolidate the financial statements of the Trust and all subsidiary entities over which the Trust has the power to control the financial reporting and operating policies.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of group result, position and cash flows.

All subsidiaries have a reporting date of 31 December 2009 and accounting policies applied are consistent with the Trust.

The Trust's investment in the Subsidiary is carried at cost ,which is nil, in the separate financial statements of the Trust.

3 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to non profit-orientated entities, that qualify for and apply differential reporting concessions.

The Trust and Group qualify for Public Benefit reporting exemptions as its primary objective is to provide services to the community for social benefit and the Trust and Group has been established with a view to supporting that primary objective rather than financial return. All available public benefit reporting exemptions available under NZ IFRS have been adopted.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical costs basis, except that certain financial assets are stated at their fair value and defined benefit pension plan obligations measured at fair value.

Accrual accounting is used to recognise revenue and expenses and the consolidated financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars ($), which is the Trust and Group's functional currency

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Significant areas of estimate and judgement in the current period included the assumptions that were used to determine measurement of the Deseret Defined Benefit Pension Plan funding obligations.

(e) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 December 2008 financial statements where appropriate to ensure consistency with the presentation of the current year's performance and results. No prior-period adjustments have been posted and the comparative net financial position and performance is consistent with that reported in the 31 December 2008 authorised financial statements.

(f) Changes in accounting policy and disclosure

The accounting policies adopted for the year ended 31 December 2009 are consistent with those of the previous financial year, except that the Trust and Group has adopted the following new and amended New Zealand equivalents to IFRS and IFRIC interpretations as at 1 January 2009.

NZ IAS 1 *Presentation of Financial Statements* (revised)

The revised standard separates owner and non-owner changes in equity in the Statement of Changes in Equity and introduces the term "other comprehensive income" (i.e. changes in equity during the period, other than those resulting from transactions with owner's in their capacity as owners and the net profit or loss.

Revised NZ IAS 1 introduces a new primary financial statement "the Statement of Comprehensive Income", which discloses all movements in equity in the period other than transactions with owner's in their capacity as owners. All non-owner changes in equity are presented in either one Statement of Comprehensive Income or two linked statements (i.e. an Income Statement and a Statement of Comprehensive Income). The Trust and Group has elected to present one Statement of Comprehensive Income.

Amendments to NZ IFRS 7 - *Financial Instruments: Disclosures*

The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk.

Improvements to IFRSs

In May 2008 and April 2009 the IASB issued the omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the reported financial position or performance of the Trust and Group.

- NZ IAS 7 *Statement of Cash Flows:* Explicitly states that only expenditure that results in recognizing an asset can be classified as cash flows from investing activities.

- NZ IAS 16 *Property, Plant and Equipment:* Replaces the term "net selling price" with "fair value less costs to sell". The Trust and Group has amended its accounting policy accordingly, but this did not result in any change in financial position.

- NZ IAS 18 *Revenue*: Guidance has been added to determine when an entity is acting as a principal or an agent in revenue transactions. The Trust and Group has assessed its revenue arrangements against the criteria provided by the revised standard and concluded current treatment is consistent with the standard.

The impact of improvements to IFRSs issued in 2008 and 2009 resulted in minor disclosure changes to the financial statements, amendments to accounting policies have been applied on a prospective basis.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Foreign currency translation

The Trust and Group hold financial assets denominated in foreign currencies. Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date, being the date when fair value is measured.

All realised and unrealised gains or losses on foreign currency translation are recognised in the Statement of Comprehensive Income.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method less any impairment losses.

A provision for impairment is established where there is objective evidence that the Trust and Group will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Income.

(e) Property, plant and equipment

Property, plant and equipment is measured at cost or valuation, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Capitalisation

All items of plant, equipment and vehicles are capitalised if the individual value is greater than $US10,000. All items with individual value below US$10,000 are expensed.

(ii) Additions

The cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

(iii) Disposal

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the reported profit or loss.

(iv) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment (except for land) over the estimated useful life of the asset. Depreciation is charged to the profit or loss in the Statement of Comprehensive Income. The following depreciation rates have been applied to each class of property, plant and equipment:

Land and improvements	30 to 40 years (improvements only)
Buildings and improvements	30 to 40 years
Furniture and fittings	3 years
Plant and equipment	3 to 10 years
Motor vehicles	3 years

The residual value of property, plant and equipment is reassessed annually.

(f) Trade and other payables

Trade and other payables are measured at amortised cost using the effective rate interest method.

(g) Provisions

A provision is recognised when the Trust and Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits expected from the contract are lower than the unavoidable costs of meeting contract obligations.

(h) Employee entitlements

Short term benefits

Employee benefits that the Trust and Group expect to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months. and sick leave.

The Trust and Group recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Trust and Group anticipates that it will be used by staff to cover those future absences.

Deseret Benefit Plan

The Trust is the trustee of the Deseret Benefit Plan (the "Plan"), a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. The Plan is a defined benefit pension scheme. As trustee of the Plan, the Trust is liable for any under underfunded past service pension obligations.

The liability amount recognized for defined benefit pension scheme obligations (if any), at each reporting date, is determined by actuarial valuation; and is the net total of the present value of the defined benefit pension scheme obligation. plus any actuarial gains, minus past service costs, minus the fair value at the Plan assets out of which the obligations will be settled.

Actuarial fair value movement of defined benefit pension funding obligations, are recognised in the period incurred, in the Other Comprehensive Income.

Past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested.

The rate used to discount pension plan benefit obligations is determined by the Actuary by reference to market yields at the end of the reporting period on high quality bonds. The currency and term of the corporate bond is consistent with the currency and estimated term of post employment benefit obligations.

Actuarial assumptions used in measuring fair value of defined benefit obligations are based on the Plan being a going concern at the balance sheet date. Actuarial assumptions are not adjusted for curtailment or settlement of the Plan, until this event occurs.

(i) GST

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

(j) Income tax

Due to its charitable status, the Trust and Group is exempt from liability to income tax.

(k) Financial instruments

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, investments and trade and other payables. The Trust and Group held no derivative financial instruments (i.e. hedging instruments) in the years reported.

Financial assets and financial liabilities are recognised when the Trust and Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value.

Financial assets

The subsequent measurement of financial assets depends on their classification. The Trust and Group currently hold financial assets in one classification:

(i) Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Financial instruments classified as *loans and receivables* include: trade debtors and other receivable balances, cash and cash equivalents and investments.

The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

Financial liabilities

All financial liabilities held by the Trust and Group are designated as "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method.

The Trust and Group have no off-balance sheet financial instruments.

Impairment of financial assets
All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Income, within expenses.

(l) Impairment

The carrying amounts of the Trust and Group assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

The estimated recoverable of assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust and Group estimate the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Income.

(m) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Trust and Group assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust and Group's own account is recognised as gross revenue in the Statement of Comprehensive Income.

The following specific recognition criteria must be met before revenue is recognised:

Donations and grants
Donations and grants are recognised in the Statement of Comprehensive Income when received and all obligations associated with the donations and grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

Donated assets are recorded at their value at the date of donation. Like many other charitable organisations, the Trust and Group often receives the benefit of people's time and service carried out free of charge, and because this type of donation cannot be readily quantified, it is not recorded in the financial statements.

Sale of goods
Revenue from the sale of goods is recognized in the Statement of Comprehensive Income when the significant risk and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date.

Interest
Interest revenue is recognised as the interest accrues (using the effective interest method).

In thousands of New Zealand Dollars

Rental income

Income from the rental of property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

5 New NZ IFRS standards and interpretations not yet adopted

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Trust and Group.

Management anticipates that all pronouncements will be adopted in the Trust and Group accounting policies for the first year beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Trust and Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact of the Trust and Group financial statements.

NZ IFRS 9 - Financial instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement*, in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. The development of IFRS 9 has been split into three phases:
Phase 1: Classification and measurement.
Phase 2: Impairment methodology
Phase 3: Hedge accounting
In addition a separate project is dealing with de-recognition of financial instruments.

Phase 1 of the project was issued in November 2009 and entities that do not wish to adopt early are required to apply from 1 January 2013. NZ IFRS 9 requires an entity to classify financial assets at either amortised cost or fair value. At present entities are required to classify their financial assets into one of four categories: financial assets at fair value through profit and loss, held to maturity investments, loans and receivables and available-for-sale financial assets.

Management have yet to assess the impact this standard is likely to have on financial instruments held. However, they do not expect to implement the standard until all phases of the replacement project have been published and they can comprehensively assess the impact of all changes.

2010 Improvements to IFRSs

In May 2010 the IASB issued the annual omnibus of minor amendments to its standards. Management has yet to complete a detailed review of these amendments, however on preliminary review the impact is not expected to be significant.

6 Expenditure

		Group		Trust	
Expenditure disclosed in the Statement of Comprehensive Income includes:		**2009**	**2008**	**2009**	**2008**
Audit fees	- for financial statement audit	115	102	115	102
	- for other services	-	-	-	-
Bank fees		59	106	59	106
Donations		7,610	14,397	7,992	14,397
Minimum lease payments - operating leases		1,854	1,787	1,854	1,787
Redundancy expenses		258	2,369	258	2,369

7 Remuneration and other employee benefits

	Group		Trust	
	2009	**2008**	**2009**	**2008**
Salaries and wages	15,797	14,291	15,522	14,040
Redundancy expenses	258	2,369	258	2,369
Other employee benefit expenses	3,268	3,652	3,215	3,615
	19,323	**20,312**	**18,996**	**20,024**

In thousands of New Zealand Dollars

8 Cash and cash equivalents

	Group		Trust	
	2009	2008	2009	2008
Cash at bank and in hand	67	1,074	60	1,068
At call funds	5,698	3,897	5,698	3,897
Short term deposits	1,285	1,064	1,285	1,064
	7,051	**6,034**	**7,043**	**6,029**

Cash at bank earns interest at floating rates on daily deposit balances.

Short term deposits are made for varying periods of between six months and one year depending on the immediate cash requirements of the Trust and Group, and earn interest at the respective short-term deposit rates.

The Church has a commitment with the Bank of New Zealand in the amount of $150,000 as security against payroll and other items (2008: $150,000)

Cash and cash equivalents include the following funds held in Trust:	Group		Trust	
	2009	2008	2009	2008
Blair Jonston Ed Trust	135	136	135	136
George Terry Trust	893	927	893	927
David Fisher Trust	13	-	13	-
Genealogical Trust	244	-	244	-
	1,285	**1,064**	**1,285**	**1,064**

9 Trade debtors and other receivables

	Group		Trust	
	2009	2008	2009	2008
Trade receivables	898	429	896	428
GST receivable	1,040	1,997	1,040	1,998
Related party receivables	3	-	3	-
Other receivables	1	-	1	-
Less allowance for doubtful debts	(502)	(428)	(502)	(428)
	1,441	**1,999**	**1,439**	**1,999**

	Group		Trust	
Allowance for doubtful debts:	2009	2008	2009	2008
Opening balance	(428)	(425)	(428)	(425)
Doubtful debts collected	7	2	7	2
Current year provision movement	(81)	(5)	(81)	(5)
	(502)	**(428)**	**(502)**	**(428)**

All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large number of customers. The carrying amount of trade and other receivables approximates their fair value.

As at 31 December 2009 there were no significant debtor balances overdue (i.e. greater than 30 days) that had not been provided for (2008: $Nil).

10 Inventories

	Group		Trust	
	2009	2008	2009	2008
Resource centre supplies/ uniforms	207	176	207	176
School books and supplies	-	30	-	30
	207	**206**	**207**	**206**

In thousands of New Zealand Dollars

11 Trade creditors and other payables

	Group		Trust	
	2009	2008	2009	2008
Trade creditors	1,572	736	1,572	736
Related party payables	-	-	-	-
Accrued expenses and other payables	1,085	2,652	1,069	2,652
	2,656	3,388	2,640	3,388

Trade creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

12 Employee benefit liabilities

	Group		Trust	
	2009	2008	2009	2008
Deseret benefit plan liability	6,273	15,306	6,273	15,306
Accrued redundancy expenses	1,914	3,022	1,914	3,022
Annual leave	929	900	929	900
Other payroll deductions	895	19	890	19
	10,011	19,247	10,006	19,247
Employee benefits liabilities have been allocated to the balance sheet as follows:				
Current	3,738	3,941	3,733	3,941
Non-current	6,273	15,306	6,273	15,306
	10,011	19,247	10,006	19,247

In 2006, the Trust Board announced the closure of the Church College of New Zealand. This has resulted in $258,186 (2008:$2,368,944) of redundancies being paid during the year and a provision of $1,913,788 (2008:$3,021,731) for redundancy benefits accruing at year end.

13 Deseret Benefit Plan

The Deseret Benefit Plan is a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. Usually a member may exchange up to 25% of their pension for a lump sum, although full commutation is allowed in some cases. The Plan is currently open to new members.

Members contribute at a rate of 4% of their salaries. They can also make additional voluntary contributions at their own discretion. Member voluntary contributions attract a subsidy of two thirds of the member's voluntary contribution amount, subject to a maximum of 2% of salary less contribution tax.

The Church's contributions are determined by the Church after considering the advice of the Plan's actuary. Based on the actuary's advice from the latest statutory valuation carried out as at 1 April 2009 the Church is currently contributing at a rate of 19.9% of members' salaries, including ESCT. In addition the Church reimburses the Plan for the pensions paid to the disability pensioners.

Methodology

Membership information as at 31 March 2009 and 31 March 2008 has been used to determine the benefit obligation. The benefit obligation at 31 December 2008 has been 'rolled forward' from the 31 March 2008 liability position as this is the plan's review date. Due to the high number of exits from the plan it was not appropriate to adopt a roll forward method to calculate the 2009 amounts, instead new asset information and membership data was obtained and valued as at 31 December 2009.

The value of the Plan's assets are based on the information contained in ING's investment reports as at 31 December 2008 and 31 December 2009 plus an allowance for net current assets held within the Plan at those dates.

Tax on the Plan's investment income has been allowed for by using a discount rate net of investment tax at 30%. ESCT has been allowed for by adjusting the net asset in the balance sheet and the pension expense for contributions tax at 33%.

All actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

Membership information
Membership information is extracted from Mercer's administration records and a summary as at 31 March provided below:

	Trust and Group	
Membership	2009	2008
Disability pensioners	6	7
Active members	122	166
Pensioners	102	87
Average age		
Disability pensioners	56.3	58.2
Active members	48.2	48.6
Pensioners	71.8	73.0
Average pension and salary per annum		
Average pension of disability pensioners	$ 31,486	$ 27,077
Average salary of active members	$ 79,679	$ 70,715
Average pension of pensioners	$ 8,466	$ 6,668

Assumptions
The discount rate is the annualised New Zealand Government 10 year bond rate adjusted for investment tax of 30% - 4.3% and 3.3% as at 31 December 2009 and 31 December 2008 respectively.

The expected future return on the Plan's assets, net of tax and all expenses is 5.2% (2008: 5.2%)

Member pensioner mortality has been based on NZLT 2005-2007 mortality tables, set back by 2 years. This is the same as the 1 April 2009 statutory valuation. No allowance has been made for future mortality improvements.

The pension increase rate is 2.0% pa, which is 80% of the assumed rate of inflation (2008: 2%).

The salary inflation rate has been assumed to be 4.5% pa; this is unchanged from the 2009 statutory valuation.

Retirement age is assumed to be 60 years.

Members are assumed to commute 25% of their pension entitlement for a lump sum at retirement using current commutation factors.

Accounting Policy
Actuarial gains and losses are recognised in Statement of Comprehensive Income in the year in which they occur, disclosed as Other Comprehensive Income.

Plan information
Active members have Defined Benefit style benefits with a pension payable on retirement, although partial commutation is allowed. Members can also contribute to a subsidised voluntary accumulation section. In addition, the Plan has pensioner and disability pensioner members.

The Church of Jesus Christ of Latter-Day Saints Trust Board

Notes to the financial statements
In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

Reconciliation of the Present Value of the Defined Benefit Obligation
As trustee of the Pension Plan, the Trust is liable for any under-funded past service pension obligations.

	Trust and Group	
Net funding position	2009	2008
Present value of defined benefit obligations	30,198	36,113
Fair value of scheme assets	25,995	25,858
Liability	4,203	10,255
Contributions tax	2,070	5,051
Liability with contributions tax	**6,273**	**15,306**
Reconciliation of the present value of defined benefit obligations		
Balance at beginning of year	**36,113**	**32,266**
Current service cost (net of member contributions)	1,497	1,276
Interest cost	1,224	1,436
Contributions by scheme participants	715	724
Actuarial (gains)/ losses	(5,713)	3,144
Benefits paid	(3,638)	(2,733)
	30,198	**36,113**
Reconciliation of fair value of plan assets		
Balance at beginning of year	**25,858**	**29,852**
Expected return on plan assets	1,346	1,557
Actuarial (gains)/ losses	176	(4,555)
Employer contributions (net of contribution tax)	1,538	1,013
Contributions by scheme participants	715	724
Benefits paid	(3,638)	(2,733)
	25,995	**25,858**
Expense recognised in Statement of Comprehensive Income		
Service cost (net of member contributions)	1,497	1,276
Interest cost	1,224	1,436
Expected return on plan assets	(1,346)	(1,557)
Actuarial losses/ (gains)	(5,889)	7,699
Superannuation expense	**(4,514)**	**8,854**
Contributions tax	(2,223)	4,361
Superannuation expense plus contributions tax	**(6,737)**	**13,215**

	Trust and Group	
	2009	2008
Movement in net liability recognised in the balance sheet		
Opening balance	15,306	3,603
Superannuation expense plus contributions tax	(6,737)	13,215
Employer contributions including contributions tax	(2,296)	(1,512)
	6,273	**15,306**

In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

	Trust and Group	
	2009	**2008**
Plan assets		
The percentage invested at each class at the balance sheet date:		
NZ shares	10%	8%
Global shares	34%	32%
Global fixed interest	16%	13%
NZ fixed interest	30%	40%
Property	6%	5%
Cash	4%	2%
	100%	**100%**

The fair value of plan assets includes no amounts relating to:

- Any of the employers' own financial instruments.
- Any property occupied by, or other assets used by, the employer.

The expected return on plan assets is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each class are net of investment tax and all expenses.

	Trust and Group	
	2009	**2008**
Actual return on plan assets	1,522	(2,998)
Principal actuarial assumptions at the balance sheet date		
Discount rate	4.30%	3.30%
Salary rate increase	4.50%	4.50%
Expected rate of return on plan assets, net of all expenses (start of period)	5.20%	5.20%
Pensioner mortality tables	NZLT 05/07 - 2	NZLT 00/02 - 2

	Trust and Group			
Historical information	**2009**	**2008**	**2007**	**2006**
Present value of defined benefit obligation	30,198	36,113	32,266	32,602
Fair value of scheme assets	25,995	25,858	29,852	29,277
(Surplus)/ deficit in scheme	4,203	10,255	2,414	3,245
Experience adjustments (gain)/ loss - scheme assets	(176)	4,555	1,559	(1,418)
Experience adjustments (gain)/ loss - scheme liabilities	(2,910)	(666)	(317)	1,476
Assumptions change (gain)/ loss - scheme liabilities	(2,803)	3,810	(1,676)	(435)
Limitation on net asset (gain)/ loss	-	-	-	-

	Trust and Group	
Expected contributions	**2009**	**2008**
Expected employer contributions net of contributions tax	2,154	1,577

Notes to the financial statements
In thousands of New Zealand Dollars

13 Property, plant and equipment

31 December 2009	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2009	54,982	168,867	38	199	5,156	229,242
Additions	698	16,667	115	101	1,751	19,332
Disposals	(405)	-	-	-	(1,438)	(1,843)
Balance 31 December 2009	55,275	185,534	153	300	5,469	246,731
Accumulated depreciation and impairment						
Balance 1 January 2009	(16,152)	(50,969)	(17)	(131)	(3,670)	(70,939)
Depreciation expense	(1,012)	(5,341)	(14)	(33)	(1,433)	(7,833)
Written back on disposal	-	-	-	-	1,552	1,552
Balance 31 December 2009	(17,164)	(56,310)	(31)	(164)	(3,551)	(77,220)
Carrying amount 31 December 2009	38,111	129,224	122	136	1,918	169,510

As at 31 December 2009 all property, plant and equipment of the Group was held by the Trust.

All items of plant, equipment and vehicles are capitalised only if the individual value is greater than US$10,000. All items with individual value below US$10,000 are expensed. Amount expensed 2009$1,388,166 (2008: $1,343,201)

Notes to the financial statements
In thousands of New Zealand Dollars

Property, plant and equipment (continued)

31 December 2008

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2008	51,595	160,762	18	181	4,991	217,547
Additions	3,918	8,105	20	18	850	12,911
Disposals	(531)	-	-	-	(685)	(1,216)
Balance 31 December 2008	54,982	168,867	38	199	5,156	229,242
Accumulated depreciation and impairment						
Balance 1 January 2008	(14,751)	(47,816)	(5)	(65)	(3,263)	(65,900)
Depreciation expense	(1,401)	(3,153)	(12)	(66)	(1,066)	(5,698)
Written back on disposal	-	-	-	-	659	659
Balance 31 December 2008	(16,152)	(50,969)	(17)	(131)	(3,670)	(70,939)
Carrying amount 31 December 2008	38,830	117,898	21	68	1,486	158,302

As at 31 December 2008 all property, plant and equipment of the Group was held by the Trust.

In thousands of New Zealand Dollars

14 Reconciliation of profit for the year to net cash flows from operations

	Group		Trust	
	2009	2008	**2009**	2008
Profit/(loss) for the year	15,120	2,170	15,137	2,171
Other comprehensive income	5,889	(7,699)	5,889	(7,699)
Non cash items				
Depreciation	7,834	5,698	7,834	5,698
Items classified as investing activities				
Gain/(loss) on disposal of property, plant and equipment	(580)	(1,489)	(580)	(1,489)
Movement in working capital				
Decrease/(increase) in trade and other payables	(731)	1,005	(748)	1,005
Decrease/(increase) in employee entitlements	(9,236)	13,360	(9,240)	13,360
Increase/(decrease) in trade debtors and other receivables	557	(310)	559	(311)
Increase/(decrease) in inventories	(1)	13	(1)	13
Net cash flow from operating activities	18,853	12,749	18,852	12,749

15 Lease commitments

Operating lease commitments payable	Group		Trust	
Minimum lease payments under non-cancellable operating leases:	**2009**	2008	**2009**	2008
Not later than one year	204	196	204	196
Between one and two years	114	137	114	137
Two years to three years	-	-	-	-
	318	333	318	333

The Trust leases property, plant and equipment in the normal course of its operations. Leases can be renewed at the Trust's option.

16 Capital Management

Capital includes retained earnings of the Trust and Group. The primary objective of the Trust and Group's capital management policy is to ensure working capital is maintained in order to support its activities. The Trust and Group manage its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgeted discretionary expenditure is reduced to ensure external financing is not required. In addition support is provided when required by the Church Head Office in Salt Lake City USA, to fund operations and capital activities.

In thousands of New Zealand Dollars

17 Equity reserves

Trust and Group 2009	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	-	17,505	17,505
Book of Mormon Fund	65	20	85
Temple Funds	4	32	36
Temporarily Restricted Funds	2,247	(1,752)	495
	2,316	15,805	18,121

The $17.5 million transferred to the Missionary Funds Equity Reserve in 2009 included $16.2 million that related to missionary funds accumulated from previous periods carried in retained earnings.

Trust and Group 2008	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	-	-	-
Book of Mormon Fund	49	16	65
Temple Funds	106	(102)	4
Temporarily Restricted Funds	2,292	(45)	2,247
	2,447	(131)	2,316

All movements to and from Equity Reserves are through the Retained Earnings equity account in the Statement of Movement in Equity. No equity reserve movements are taken directly to equity and movements in equity reserves do not impact the Statement of Comprehensive Income.

Missionary Funds

The missionary support fund represents donations from the members in New Zealand towards the costs of the Church's worldwide missionary fund program which is co-ordinated and administered by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints. Funds authorised for specified missionaries serving in New Zealand are released evenly over their mission term of either 18 months or two years. Currently, donations received from members is not adequate to cover the expenses associated with missionaries serving in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil." In the prior year the Missionary Fund was included within the Retained Earnings balance, however, following the Church's transition to International Financial Reporting Standards, the Church has re-considered its accounting approach to this balance and has decided it should be disclosed within Other Reserves. This has been treated as a transfer to reserves within the current accounting period.

Book of Mormon Fund

These funds are donated by the members towards the production and distribution costs of The Book of Mormon - Another Testament of Jesus Christ. This expenses are recorded by The Church of Jesus Christ of Latter-day Saints in Salt Lake City.

Temple Funds

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world.

Restricted funds

The Church operates a number of Restricted Funds to record amounts received over the years through bequests and testaments from members, the use of which is restricted. The bequest and testaments can only be used in accordance with benefactor's specific directions. The interest earned on the bequest and testaments is added to the original fund and similarly may only be used in accordance with the benefactor's specific directions.

In thousands of New Zealand Dollars

18 Related parties

(a) Parent and ultimate controlling party

The Parent and ultimate controlling party of the Group is The Church of Jesus Christ of Latter-Day Saints Trust Board.

The Trust is related to the following subsidiaries:	Ownership		Investment	
	2009	2008	2009	2008
- LDS Family Services New Zealand	100%	100%	-	-

(b) Transactions with related parties

The Trust has a related party relationship with its Church Head Office in Salt Lake City, USA.

The Trust receives grants from the Church Head Office in Salt Lake City, USA, which subsidises part of the Trust's costs in performing its services. These amounts are recorded as grant income and are reported within the Statement of Comprehensive Income. Grant income totalled $36.5 million during the year ended 31 December 2009 (2008:$34.5 million).

The Trust also purchases items from the Church Head Office for distribution throughout New Zealand and the Pacific Islands. These amounts are recorded as grant expense and are reported within the Grants, donations and other social assistance expense category in the Statement of Comprehensive Income. These amounts totalled $5.5 million during the year ended 31 December 2009 (2008: $11.5 million) .

(c) Key management personnel

The Trust and Group has a related party relationship with its trustees, directors and executive officers.

	Group		Trust	
	2009	2008	2009	2008
Trustee fees	-	-	-	-
Executive management remuneration	1,031	719	1,031	719

Total remuneration paid to key management personnel is made up of short-term employee benefits and no other post employment benefits, termination benefits or long term benefit arrangements have been expensed in the years reported.

19 Financial instruments

The carrying amount of all material balance sheet assets and liabilities are considered to be equivalent to their fair value . The Trust and Group have no off balance sheet financial instruments.

All financial assets held by the Trust and Group are classified as "loans and receivables" and carried at cost less accumulated impairment losses or "financial instruments at fair value through profit or loss".

All financial liabilities are measured at amortised cost using the effective interest rate method.

(a) Risk management analysis

The Trust and Group are exposed to various risks in relation to financial instruments. The main types of risk are credit risk and liquidity risk. The Trust and Group has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow any transactions that are speculative in nature to be entered into.

(i) Credit risk

Credit risk is the risk that a third party default on its obligation to the Trust and Group, causing the Trust and Group to incur losses. The Trust and Group have no significant concentration of credit risk in relation to cash and receivable balances'. The Trust and Group do not expect the non-performance of any obligations at balance date. The carrying amount of trade and other receivables represents the Trust and Group's maximum exposure to credit risk at balance date.

The Trust and Group at each balance date have no accounts receivable past due, that have not been provided for.

In thousands of New Zealand Dollars

(ii) Liquidity risk

Liquidity risk represents the Trust and Group's ability to meet its contractual obligations as they fall due. The Trust and Group manages liquidity risk by managing cash flows and ensuring that adequate credit lines are in place to cover potential short falls.

Group 2009 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,051	7,051	7,051	-	-
Trade debtors and other receivables	1,441	1,441	1,441	-	-
Investments	105	105	105	-	-
	8,597	8,597	8,597	-	-
Liabilities					
Trade and other payables	2,656	2,656	2,656	-	-
Operating leases	-	318	102	102	114
Capital commitments	-	11,875	10,688	1,188	-
	2,656	14,849	13,446	1,290	114
Net liquidity position	5,941	(6,252)	(4,849)	(1,290)	(114)

The Trust anticipates funding will be received from the Church Head Office in Salt Lake City USA, to support 2010 capital commitments, external borrowings will not be required.

Group 2008 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	6,034	6,034	6,034	-	-
Trade debtors and other receivables	1,999	1,999	1,999	-	-
Investments	732	732	732	-	-
	8,765	8,765	8,765	-	-
Liabilities					
Trade and other payables	3,388	3,388	3,388	-	-
Operating leases	-	333	98	98	137
Capital commitments	-	861	861	-	-
	3,388	4,582	4,347	98	137
Net liquidity position	5,377	4,183	4,418	(98)	(137)

In thousands of New Zealand Dollars

Financial instruments (continued)

Trust 2009 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,043	7,043	7,043	-	-
Trade debtors and other receivables	1,439	1,439	1,439	-	-
Investments	105	105	105	-	-
	8,587	8,587	8,587	-	-
Liabilities					
Trade and other payables	2,640	2,640	2,640	-	-
Operating leases	-	318	102	102	114
Capital commitments	-	11,875	10,688	1,188	-
	2,640	14,833	13,430	1289.5	114
Net liquidity position	5,947	(6,246)	(4,842)	(1,290)	(114)

The Trust anticipates funding will be received from the Church Head Office in Salt Lake City USA, to support 2010 capital commitments, external borrowings will not be required.

Trust 2008 *Contractual cash flows of* financial instruments held	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	6,028	6,028	6,028	-	-
Trade debtors and other receivables	1,999	1,999	1,999	-	-
Investments	732	732	732	-	-
	8,759	8,759	8,759	-	-
Liabilities					
Trade and other payables	3,388	3,388	3,388	-	-
Operating leases	-	333	98	98	137
Capital commitments	-	861	861	-	-
	3,388	4,582	4,347	98	137
Net liquidity position	5,371	4,177	4,412	(98)	(137)

(b) Financial instrument classification

All financial assets held by the Trust and Group are classified as *loans and receivables* and measured at cost.

All financial liabilities held by the Trust and Group are classified as *loans and receivables* and measured at amortised cost using the effective interest rate method.

20 Capital commitments

The Trust and Group have capital commitments at balance date of $11,875,000 (2008: $861,000).

21 Contingent liabilities

The Trust and Group have no contingent liabilities at balance date (2008: Nil).

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22 Subsequent events

The Church College of New Zealand (CCNZ) school situated in Hamilton was closed in December 2009. Decisions on the future of the CCNZ land and buildings are currently under consideration by a special Envisioning Committee and by senior Church officials in the US and a decision is not expected to be finalised until at least late 2010. The net book value of the CCNZ land and buildings as at 31 December 2009, based on historic cost amounts to $2.74 million, which is considered less than the rateable value as determined by Valuation New Zealand for this facility. The Trust Board has therefore decided to retain the current book value of CCNZ land and buildings in the financial statements as at 31 December 2009.

The Trust Board acknowledge however that, based on the closure of CCNZ, the value of CCNZ buildings could be impaired. However, until a decision is made on the future use of the CCNZ land and buildings, the extent of the possible impairment cannot be ascertained with accuracy.

Audit Report

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The Trustees of The Church of Jesus Christ of Latter-Day Saints Trust Board (the "Trust Board")

We have audited the financial report on pages 1 to 24. The financial report provides information about the past financial performance of the Trust Board and Group and its financial position as at 31 December 2009. This information is stated in accordance with the accounting policies set out on pages 5 to 11.

Trustees responsibilities

The Trustees are responsible for the preparation of a financial report which fairly reflects the financial position of the Trust Board and Group as at 31 December 2009 and the results of operations and cash flows for the year ended on that date.

Auditor's responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Trustees.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial report
- whether the accounting policies are appropriate to the Trust Board and Group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

During the financial year ended 31 December 2009, we provided accounting assistance to the Trust Board relating the preparation of NZIFRS compliant financial statements. Other than this, in our capacity as auditor we have no other relationship with, or interests in, the Trust Board and Group.

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Fundamental uncertainty

In forming our unqualified opinion, we considered the adequacy of the disclosures made in the financial report concerning the impact of the closure of the New Zealand Church College in Hamilton in December 2009 on the underlying net asset value of the College's property, plant and equipment with a net book value of $2.744 million as at 31 December 2009. As stated in Note 22 an Envisioning Committee has been established to conclude on the best future use of these facilities, and depending on the outcome of their deliberations, the net valuation of the related assets may be different from the amount at which the these assets are recorded in the books of account of the Trust Board and this difference may be material. Details of this fundamental uncertainty are described in Note 22. As reported, this matter has not been resolved and hence we are unable to assess the possible impact of the closure of the New Zealand Church College in Hamilton on the underlying net book value of the related property plant and equipment.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial report on pages 1 to 24 fairly reflects the financial position of the Trust Board and Group as at 31 December 2009 and the results of operations and cash flows for the year ended on that date.

Our audit was completed on 16 July 2010 and our unqualified opinion is expressed as at that date.

Grant Thornton

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